

Frequently Asked Questions Concerning the 2021 Property Reassessment and Impact on Property Taxes

1. My assessment DOES reflect the fair market value, but my taxes are too high. Why?

Please be mindful that the assessment function is focused on the **uniformity and accuracy of the assessments** NOT the actual taxes you will pay. When the assessments are set to the same standard (market value) in a uniform way, the tax amount (or levy) will be distributed fairly for municipal and county taxes, in accordance with the NJ Constitution.

The Tax Assessor does not have control of the tax levy. County, municipal and school budget costs determine the amount of property tax to be collected. A municipality's general tax rate is calculated by dividing the total dollar amount it needs to meet all budget expenses (see the table below) by the net valuation of all its taxable property. This valuation provides the basis to proportionately share the taxes required by the County and the local municipality. To put it simply, if a property was worth 5% of the municipality, it would be assigned to pay 5% of the total tax levy.

Below is the breakdown of the Borough of Bradley Beach's Certified Tax Levy for 2016, 2017, 2018, 2019 & 2020:

Tax Levy Component	2016 Tax Levy	2017 Tax Levy	2018 Tax Levy	2019 Tax Levy	2020 Tax Levy	Four Year Change	Contact
County Budget	\$ 2,980,193	\$ 3,039,067	\$ 3,043,579	\$ 3,226,389	\$ 3,374,052	13%	732-431-7000
District School Budget	\$ 5,887,771	\$ 6,033,894	\$ 6,151,190	\$ 6,369,798	\$ 6,498,090	10%	732-775-4413
Local Municipal Purposes	\$ 6,544,607	\$ 6,545,522	\$ 6,438,210	\$ 6,433,316	\$ 7,009,040	7%	732-776-2999
Library Budget	\$ 377,733	\$ 394,588	\$ 406,777	\$ 446,864	\$ 472,734	25%	732-776-2995
County Health Budget	\$ 60,057	\$ 61,316	\$ 60,391	\$ 64,975	\$ 69,583	16%	732-431-7000
County Open Space Fund	\$ 171,210	\$ 178,531	\$ 337,541	\$ 372,329	\$ 394,022	130%	732-431-7000
Excess for Rate Rounding	\$ 2,187	\$ 2,389	\$ 8,399	\$ 11,977	\$ 5,909		
Total Tax Levy	\$ 16,023,757	\$ 16,255,307	\$ 16,446,087	\$ 16,925,648	\$ 17,823,428	11%	

The Borough's portion of the tax levy has increased this year, which is in part, reason for a 5.3% increase in the Total Tax Levy. The increase to the Local Municipal Purpose Component was largely caused by two reasons:

- 1) Bradley Beach anticipates lower revenues due to the COVID-19 crisis which will ultimately have a negative impact on property taxes. Any increased expenses or loss of revenues must be made up through deterioration of surplus or an increase in property taxes.
- 2) The Borough has initiated a budgeting change with regard to the Borough's sewer account. Roughly half of the Borough's Municipal Tax Levy increase (approximately \$300,000) will be directly offset by future reductions in annual Sewer fees. Property owners should expect substantial decreases in sewer billings later this year.

2. What is the tax rate in 2020 and how does the Tax Rate get Calculated?

The tax rate is calculated by dividing the total tax levy by the net valuation of the Borough (total of all assessments). Each property then pays taxes based off that rate times their assessment so that the tax levy is distributed fairly. Please note that the Total Tax Levy in 2020 has increased 5.3%, from \$16,925,648 to \$17,823,428.

Year	Total Tax Levy	Net Value of Borough	Tax Rate
2016	\$ 16,023,757	\$ 1,146,191,500	1.398%
2017	\$ 16,255,307	\$ 1,149,597,400	1.414%
2018	\$ 16,446,087	\$ 1,188,301,100	1.384%
2019	\$ 16,925,648	\$ 1,336,939,000	1.266%
2020	\$ 17,823,428	\$ 1,458,545,700	1.222%

3. Why are my 3rd and 4th quarter bills different from my 1st and 2nd?

DO NOT MULTIPLY YOUR 3rd QUARTER BILL BY FOUR TO DETERMINE YOUR ANNUAL TAXES!

Since the annual tax rate is not certified by the state and the county until the middle of the tax year, the first and second quarter bills are always just estimations. Once the tax rate is certified, the tax collector multiplies your assessment by the certified rate. The collector then reduces the total amount due by any payments that were made in the first and second quarters. The balance is then split between the third and fourth quarters. Basically, any annual tax change is back loaded to the final two quarters of the year.

As an example, if your property taxes changed from \$8,000 to \$8,500. The quarterly breakdown would be:

1st quarter: \$2,000 2nd quarter: \$2,000 3rd quarter: \$2,250 4th quarter: \$2,250

4. I understand that we are reassessing every year, does that mean my assessment will change for next year?

Yes. Every year the market will be analyzed to ensure fair distribution of the tax levy, but this does not necessarily mean that your taxes will move in the same direction as your assessment. Any change in assessed value of your property simply provides the basis of the new Tax Levy allocation. Tax Levy amounts required by the County, Schools, Library, Local Municipality, etc. are developed independently and then allocated across the properties according to their proportional value to all other properties. Monmouth County is engaged in the *Assessment Demonstration Program* (ADP). The overarching intent of the *Assessment Demonstration Program* (ADP) is to institute a revised assessment function that provides systemic cost savings and enhanced public service. At the core of the program is the ability to establish and annually maintain individual property assessments at current market value. This is accomplished by the County and the towns working collaboratively to employ enhanced education, advanced appraisal techniques and modern technology. The fundamental goal of the ADP is to ensure that each taxpayer pays their fair share of the annual tax levy (no more and no less).

5. How did/does the COVID-19 crisis affect my assessment?

Since the 2020 assessment valuation date was 10/1/19, the COVID-19 crisis played no part in the 2020 assessment. The COVID-19 crisis was not a real estate market influencing factor as of October 2019. Assessments are always set during the prior year based on market data at that time. Later this year, the 2021 assessments will be established and sent to property owners. The 2021 assessments will be based on sales activity that would have occurred in 2019 and 2020. As a result, market data used in the 2021 reassessment analysis will include activity from a "post-COVID market". It is currently unclear if/how the crisis has/will affect our real estate markets since little market data has presented itself this early on. The assessment office will continue to monitor markets and will make appropriate adjustments to assessments for the 2021 tax list.

6. If my assessment goes up, does that mean I will pay even MORE taxes?

Not necessarily. The assessment function does not *create* revenue for the municipality. The Assessment function is only a distribution mechanism of the separately determined tax levy. In strict adherence with the NJ Constitution, this apportionment is to be based on the value of property.

7. My house was recently inspected. What was the purpose of that inspection?

The purpose of the inspection is to gather proper information on each property so that the appraisal process (and resulting tax distribution) is fair and uniform. Please note: the inspectors are not appraisers and are not appraising your home. The inspectors are simply data collectors and return the data to this office where the reassessment process is done. The Division of Taxation requires that an inspection is done every five to eight years on each property.

8. I was not home for the inspection. What should I do?

If the inspector did not gain access to the interior of your property, they likely estimated the interior room counts and conditions. You should contact the assessor's office (eaguilar@bradleybeachnj.gov) and request a copy of your Property Record Card (PRC) to be sure that all of the physical characteristics listed on the record are accurate. If you find any issues on the PRC, you should consult with the assessor immediately to determine what remedies are available.

9. How is the appraisal process done?

The Assessor reviews all recent sales data and synchronizes the mass appraisal modeling in each market and submarket to target current market value. When the assessments are set to the same standard (market value) in a uniform way, the tax levy will be distributed fairly. Remember, the assessment function is focused on the uniformity and accuracy of the assessments NOT the resulting tax responsibility.

10. What do I do if I feel my 2021 assessment DOES NOT reflect the fair market value?

Please be on the lookout for the postcard with your 2021 assessment. This postcard is mailed in late November of 2020. If you believe the 2021 assessed value does not reflect the true market value of your property, you should contact the Assessor's office immediately to confirm that the physical characteristics on your Property Record Card (PRC) are accurate. After speaking to the assessor, if you still feel the assessment does not equal the fair market value of the property, you should file an appeal with the Monmouth County Tax Board before January 15th, 2021. Here is a link to the appeal site- <https://secure.njappealonline.com/prodappeals/login.aspx>

Please note that the site will not be open until the 2021 assessment postcards are sent out. If you miss the January 15th deadline, you will not be able to file an appeal at the County until the following year (2022).

If you choose to file an appeal on your 2021 assessment, you will be required to provide evidence to demonstrate your position. "Evidence" is typically recent sales of comparable properties. You can research sales data at the Monmouth County Open Public Records site- <http://oprs.co.monmouth.nj.us/Oprs/External.aspx?iId=12>

Select "Deed/Sr1a List" under step 1 then you can modify your search according to the other fields.

11. Why are we annually reassessing now and how was it done in the past?

In the past (and currently outside of Monmouth and Somerset Counties), the assessment function may not have been as uniform and accurate as what current technology allows for. Due to technological and administrative constraints, assessments were set during a revaluation year and remained stagnant despite obvious changes in the markets and sub markets. Annually, "assessment to sale price ratios" were studied to establish a "common level of assessment" ratio. One of the many problems with the antiquated traditional assessment system is that it was based off an assumption that every property within a municipal boundary appreciates / depreciates at the same rate. Obviously, this is not true. Every neighborhood and property class react differently to the market environment.

It is necessary to study each of the markets and submarkets individually (annually) to be sure the total tax levy is distributed in accordance with recent and reliable market data. The only appropriate fix for this is to conduct reassessments annually. The old assessment model enabled an environment where assessments were often significantly removed from the current market value of properties. That type environment is ripe for taxes to be inappropriately distributed. Monmouth County has reformed the distribution component of property taxation to address this obvious shortfall. The Assessment Demonstration Program (through annual reassessment) strives to use advancements in technology, education and mass appraisal techniques to provide this better service to the tax payers.

Created in Monmouth County, the *Assessment Demonstration Program* (ADP) is an international award winning program that has been recognized as a model assessment paradigm by Moody's Investor Service and Harvard Kennedy School. The ADP won the industry's top respected *Distinguished Assessment Jurisdiction Award* for 2019 from the *International Association of Assessing Officers* (IAAO). The IAAO presents the *Distinguished Assessment Jurisdiction Award* to a national, state, regional or local agency that has instituted a technical, procedural or administrative program that improves on prior programs, and is recognized as a component of a model assessment system and a contributing factor to equity in property taxation. This prestigious award has been given to the most deserving district in the *world* annually since 1983.